WILLIAM THOMAS LOGAN

July 10, 2009

The Honorable Anne K. Quinlan, Esq. Secretary
Surface Transportation Board
395 E. Street, SW
Washington DC, 20024

Office ENTERED
Proceedings

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Re: Finance Docket No: 34943, Beaufort Railroad Co, Inc.-Modified Rail Certificate

Dear Ms. Quinlan:

Enclosed are this original and ten (10) copies of this letter to be submitted to the Board for review.

As an owner of property adjoining the right-of-way (ROW) to the old Port Royal Railroad (RR), as well as a concerned citizen, I have followed fairly closely proposals for the disposition of RR assets as they have unfolded since 2002, the year rail service over these lines was discontinued. In keeping abreast of these developments, I have also frequently visited the Surface Transportation Board (STB; the Board) website. Allow me to emphasize that my interest in these matters stems from a desire to see rail service, in some form, reestablished over this short line.

Time and time again I have noted the encouragement from the STB in its decisions, justifications and in their website's feature entitled "Overview: Abandonments and Alternatives to Abandonments" to state entities and private owners keeping the existing rail lines up and running. To my knowledge, this prioritizing of railroad activity has not been echoed by the parties arguing before the Board should they be designated acceptable successors to the existing owners and operators designate; rather, these entities champion only Rails to Trails and Pathways Connect as suitable uses for these currently idle RR assets.

Because of the area's pristine beauty and the lifestyle choices of many of our inhabitants, we have chosen repeatedly to move away from conventional industry and toward those that provide employment with the least adverse affect on the environment. Consequently, there is only one word used in conjunction with industry in the Lowcountry and that word is "Tourism."

We have been told that this railroad is the last surviving of its kind on the Eastern Seaboard. It is in the heart of the Lowcountry, within comfortable traveling distances of Charleston and Hilton Head Island, South Carolina, as well as Savannah, Georgia. Its origin inland is within one mile of Interstate 95. The 27-mile rail trip terminates at Port

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Royal Sound, one of the most beautiful and deepest natural harbors opening to the Atlantic Ocean on the East Coast, Its history, dating from 1858, is an important chapter of the story of the Lowcountry, itself a uniquely important part of American history; as such it deserves preservation. At the most recent meeting of the Beaufort County Historical Society, a resolution was adopted – unanimously – to preserve the rail line because of its important history.

Against the remote possibility the STB is unaware of the fact, let me take this opportunity to call to the Board's attention that there is still today as there has been for some years an effort underway to put the rail line back to use as an active railroad, serving as a historic tour train with the ability to expand with a dinner venue and as a future freight service. This could be achieved via long-term lease and/or purchase of the rails in place (i.e., everything above ground). The group prepared to implement this alternate utilization of RR assets has not only the financial wherewithal required, but brings with it decades of expertise in the ownership, maintenance and operation of short line railroads and tour operations. They are confident of the prospect offered by this railroad, so much so that they are prepared, if necessary, to purchase the entire RR asset package, including the approximately 50 acres comprising the Port of Port Royal. This sort of global solution seems more than warranted in the present circumstances; it seems compelling: substantial properties would return to the effective tax rolls, the ROW would be preserved intact and in the service of a functioning railroad.

As I professed the highest motives in my opening this letter, it perhaps behooves me to address a more self-interested corollary of those motives. The ROW under consideration here was created at some considerable cost and sacrifice to the many landowners whose property rights were diminished by its creation, and this taking was facilitated by representations that assured those same landowners, my own predecessors in title included, only two things: first, that the ROW would permit the creation of a much-needed railroad, and, second, that in the event the railroad should ever cease operations, the ROW would be restored to the donor landowners. The creation of the STB at the federal level of government has for good and important reasons of national security and economic efficiencies overridden those earlier State promises, and I applaud the notion that railroad rights-of-way once in existence should not be allowed to vanish. I do not support, however, the sale or licensing of these rights-of-way to non-rail entities when private rail interests are an available alternative, the case here.

BJWSA is entitled already to use highway and road rights-of-way for the installation and maintenance of its water and sewer lines, at no charge. Since population quite naturally settles where roads make settlement possible, these rights-of-way would seem to offer the most logical and cost-effective avenue for system expansion. It should be noted, however, that as the existing rules governing civil engineering and construction will not allow the placement of water or sewer mains on bridges and trestles, the disproportionate cost of any cross-water expansion will not be avoided by trestle ownership. It is also

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important, I think, to note that the Authority has argued the continuing above-ground construction which inevitably occurs along road and highway rights-of-way hinders future access to the in-ground water and sewer lines, and that this fact makes the use of these free avenues of expansion more problematic. We should see in this same argument reason for limiting BJWSA use of the RR ROW, as it will certainly be employed to dissuade the STB from granting permission to any parties who might in the future wish to reestablish a working railroad or highway. As there is growing evidence that already-granted Interim Trail Use Certificate holders have become opponents to reestablishing railroad operations over rights-of-way converted to trail use, it seems the STB would be well-advised to emphasize in their future deliberations regarding applications for non-rail use of existing rights-of-way, the limits to be placed on both surface and sub-surface construction during the term of the interim certificate.

Finally, while I must in fairness admit that the sale of the ROW to BJWSA probably carries with it some marginal social benefits (what undertaking of this scale would not), such sale is a huge net negative where social benefits are concerned when it is compared with the railroad-preserving alternative available here. The ROW and the Port Facilities should be sold or leased long term to a qualified buyer/operator that will keep rail service in place for the foreseeable future. I believe this would satisfy all parties as well as calming the concerns of the adjoining land owners. If, however, the proposed acquisition (of the ROW by Beaufort-Jasper Water and Sewer Authority) is consummated, the possibility of this short line railroad group establishing a historic tour-based train service should be addressed in the agreement required by the STB between the SC Ports Authority and the Beaufort-Jasper Water and Sewer Authority (BJWSA), which agreement is due as I understand it 180 days from the STB's decision of 5/19/2009.

With kind personal regards, I remain

W. Thomas Logan